

Senate File 481 - Introduced

SENATE FILE 481
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO SSB 1077)

A BILL FOR

1 An Act relating to reforming state and county responsibilities
2 for mental health and disabilities services, making
3 appropriations, and including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. REFORM OF MENTAL HEALTH AND DISABILITY SERVICES
2 — FINDINGS, PURPOSE, AND PLANNING PROVISIONS.

3 1. The general assembly finds that full implementation
4 of the federal Patient Protection and Affordable Care Act,
5 Pub. L. No. 111-148, in 2014 will have a significant impact
6 on services to low-income Iowans because eligibility for the
7 Medicaid program will be simplified to include individuals
8 having an income at or below 133 percent of the federal
9 poverty level. Consequently, the additional categorical
10 eligibility requirements now applicable for Medicaid program
11 eligibility, such as being a recipient of federal supplemental
12 security income (SSI) or for meeting Medicaid program waiver
13 requirements, will no longer apply. Because Medicaid is such
14 a significant funding source for Iowa's mental health system
15 for children and adults, the simplified eligibility change
16 presents an opportunity to reform that system. The simplified
17 Medicaid eligibility provisions coming into force in 2014 also
18 will provide Medicaid eligibility to many adults whose services
19 costs are wholly or primarily a county responsibility.

20 2. Under current law, counties pay the nonfederal share
21 of the costs of Medicaid program services provided to address
22 the needs of eligible adults with mental illness. Because the
23 increases in overall funding for such services have experienced
24 very limited growth in recent years, the annual increases
25 needed to fund the county Medicaid responsibility have been
26 reducing the funding counties have available to fund other
27 non-Medicaid services. With the federal expansion in those
28 eligible for the Medicaid program, significant new funding will
29 be needed to provide the match for the new eligible adults.

30 3. It is the intent of the general assembly to incrementally
31 shift responsibility for the funding of services for adults
32 with mental illness from the counties to the state so that
33 the shift is completed by 2014 when the new federal law takes
34 effect.

35 4. Among adults who have a serious mental illness, the

1 incidence of those with a co-occurring disorder involving abuse
2 of alcohol or another substance is much higher than among the
3 population without such an illness. However, the availability
4 of treatment that simultaneously addresses both disorders is
5 very limited.

6 5. a. Under current law, if an adult has a serious mental
7 illness and does not have a means of paying for services, the
8 primary responsibility to fund and make the services available
9 is assigned to counties. Although many common elements do
10 exist among the service arrays offered by counties, a basic set
11 of services is not available in all counties, waiting lists for
12 some services are in effect in some counties, the availability
13 of community-based services in some counties is very limited,
14 and other disparities exist.

15 b. It is the intent of the general assembly to address such
16 disparity by shifting the payment responsibility for adult
17 mental illness services from the counties to the state and
18 developing a regional approach to provide system access and
19 navigation and care coordination functions.

20 6. Counties are limited to levying approximately \$125
21 million in property taxes statewide for the services due to law
22 enacted in the mid-1990s. The state distributes to counties
23 approximately \$89 million to replace equivalent reductions
24 in the amount of property taxes raised for this purpose. In
25 addition, for fiscal year 2010-2011, the state will distribute
26 to counties approximately \$49 million in allowed growth funds,
27 approximately \$14 million in community services funds, and
28 approximately \$11 million to reimburse for state cases.

29 7. Beginning on the effective date of this section and
30 continuing through the fiscal year beginning July 1, 2011, the
31 department of human services shall consult with stakeholders in
32 developing a plan and implementation provisions for a system
33 for adults in need of publicly funded mental health services
34 and related support, proposing but not limited to all of the
35 following:

1 a. Identifying clear definitions and requirements for the
2 following:

- 3 (1) Characteristics of the service populations.
- 4 (2) The array of services and support to be included.
- 5 (3) Outcome measures.
- 6 (4) Quality assurance measures.
- 7 (5) Provider accreditation, certification, or licensure
8 requirements.

9 b. Incorporating strategies to allow individuals to receive
10 services in accordance with the principles established in
11 *Olmstead v. L.C.*, 527 U.S. 581 (1999), in order for services
12 to be provided in the most community-based, integrated
13 setting appropriate to an individual's needs and in the least
14 restrictive setting.

15 c. Continuing the department's leadership role in the
16 Medicaid program in defining services covered, establishing
17 reimbursement methodologies, providing other administrative
18 functions, and expanding the program to incorporate the
19 opportunities provided by the federal Patient Protection and
20 Affordable Care Act, Pub. L. No. 111-148.

21 d. Identifying criteria for regional entities to operate
22 under performance-based contracts with the department.

23 e. Paying all vendors for services and other support under
24 the system.

25 f. Identifying an equitable approach for pooling and
26 redistributing both county and state funding to support the
27 system, eliminate legal settlement for determining funding
28 liability, and achieve other public policy objectives.

29 g. Implementing mental health crisis response services
30 statewide.

31 h. Implementing a subacute level of care.

32 i. Utilizing the target date of January 1, 2013, for full
33 implementation of the adult service system. The department
34 shall submit the initial plan and implementation provisions to
35 the governor and general assembly on or before December 15,

1 2011.

2 8. a. The department shall begin developing a similar plan
3 and implementation provisions for a system for children in need
4 of publicly funded mental health services and related support
5 for submission to the governor and general assembly by December
6 15, 2012.

7 b. The department shall begin developing a similar plan
8 and implementation provisions for a system for adults in need
9 of publicly funded intellectual disabilities and brain injury
10 services and related support for submission to the governor and
11 general assembly by December 15, 2013.

12 c. The department shall begin developing a similar plan
13 and implementation provisions for a system for children and
14 adults in need of publicly funded dual diagnosis mental illness
15 and intellectual disabilities services and related support for
16 submission to the governor and general assembly by December 15,
17 2014.

18 d. The department shall begin developing a similar plan and
19 implementation provisions for a system for children and adults
20 in need of publicly funded co-occurring substance abuse and
21 mental illness services and related support for submission to
22 the governor and general assembly by December 15, 2014.

23 Sec. 2. DEPARTMENT OF HUMAN SERVICES. There is appropriated
24 from the general fund of the state to the department of human
25 services for the fiscal year beginning July 1, 2011, and ending
26 June 30, 2012, the following amount, or so much thereof as is
27 necessary, to be used for the purposes designated:

28 For planning costs associated with implementation of this
29 Act:

30 \$ 50,000

31 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
32 immediate importance, takes effect upon enactment.

33 EXPLANATION

34 This bill relates to the reform of state and county
35 responsibilities for mental health and disability services.

1 Legislative findings are stated concerning the current system
2 and for shifting the payment responsibility for adult mental
3 illness services from the counties to the state and developing
4 a regional approach to provide system access and navigation and
5 care coordination functions.

6 The department of human services is charged with developing
7 a plan and implementation provisions for adult mental health
8 services and related support as specified in the bill with a
9 target implementation date of January 1, 2013. The plan is
10 required to be submitted to the general assembly and governor
11 by December 15, 2011.

12 The department is required to submit similar plans and
13 implementation provisions for the following: for children's
14 mental health services by December 15, 2012; for intellectual
15 disabilities and brain injury services by December 15,
16 2013; and for dual diagnosis mental illness and intellectual
17 disability services and for co-occurring substance abuse and
18 mental illness services by December 15, 2014.

19 An appropriation is made to the department for
20 implementation costs.

21 The bill takes effect upon enactment.